

Public Agenda Item #13

Review, Discussion and Consideration of the Rules of the Board of Trustees, Texas Administrative Code, Title 34, Part IV: Required Rule Review and Amendments to Chapter 81 (Insurance) and Amendment to Chapter 85 (Flexible Benefits)

August 16, 2016

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Amendments

Chapter 81, Insurance



- Update rules to use current terminology, clarify existing definitions, define terms that previously existed within the rule and eliminate definitions no longer necessary
- Replace “premium” with “insurance required contribution” throughout the chapter

Amendments

Chapter 81, Insurance



- §81.1 (Definitions):
 - Consumer Directed HealthSelectSM - Added
 - Dependents – Amended to specify requirements for continuing health insurance eligibility for children over age 26 who are mentally or physically incapacitated
 - Spouse – amended to add clarity and guidance to GBP participants
 - GBP Health Coverage – Added

Amendments

Chapter 81, Insurance



- §81.3 (Administration) – Retitled: Health Maintenance Organizations
 - Amended to eliminate duplicate language and to provide clarity
- §81.5 (Eligibility) – Reorganize and clarify that a former COBRA unmarried child is eligible to enroll a newly acquired dependent child within 30 days of the child's date of birth or placement for adoption

Amendments

Chapter 81, Insurance



- § 81.7 (Enrollment and Participation)
 - Includes subsections moved from § 81.3 to address payment of insurance required contributions and state contributions
 - Clarify that a Medicare-eligible surviving dependent, eligible for health coverage under the GBP, may be automatically enrolled in Medicare Advantage, unless the surviving dependent opts out and enrolls in other coverage

Amendments

Chapter 81, Insurance



- Add requirements related to new coverage options: Consumer Directed HealthSelect, commuter spending accounts, vision plan, limited purpose flexible spending accounts and health savings accounts
- Allow participants enrolled in an HMO, whose contract is not renewed, to enroll in another approved HMO, HealthSelect or Consumer Directed HealthSelect
- Clarify that a qualifying life event may permit a change in coverage consistent with the qualifying life event

Amendments

Chapter 81, Insurance



- Clarify annual enrollment opportunities for members
- Amend subsection to comply with provisions of the ACA
- Repeal subsection (j), the provision reflecting preexisting conditions exclusion for GBP disability income insurance plan
- § 81.8 (Waiver of Health Coverage) – Provide better organization and clarity regarding incentive credits

Amendments

Chapter 81, Insurance



- § 81.9 (Grievance Procedure) – Retitled “Grievance Procedures”
 - Provide clarity regarding available grievance procedures applicable to the different types of GBP plans
 - Provide clarity regarding available grievance rights for participants whose claims are denied

Amendments

Chapter 81, Insurance



- § 81.11 (Termination of Coverage) – Retitled “Cancellation of Coverage and Sanctions”
 - Provides distinction between sanctions and cancellation of coverage
 - Reorganization to provide clarity regarding conditions and timeframes for cancellation of GBP coverage for members and participants
- Notice of proposed amendments published in the July 8, 2016, issue of the *Texas Register*. ERS received one comment.

Amendments

Chapter 81, Insurance



- The Coalition for Nurses in Advanced Practice (CNAP) suggested adding certified nurse-midwife as practitioners who can certify the date of birth for a newborn natural child for purposes of eligibility for life and AD&D coverage in the GBP.
- ERS staff agrees with the suggested change, and recommends adoption of the proposed rule with the suggested change by CNAP.

Amendment

Chapter 85, Flexible Benefits



- § 85.4 (Separate Plans) – update a numerical reference in subsection (c) regarding the Insurance Premium Conversion Plan described in Chapter 81
- Notice of proposed amendment published in the July 8, 2016, issue of the *Texas Register*. ERS did not receive any comments.

Required Rule Review

Chapter 81, Insurance



- Texas law requires review of rules every four years. Staff reviewed Chapter 81 per § 2001.039, Tex. Gov't Code.
- Notice of proposed rule review for Chapter 81 was published in the February 14, 2014, issue of the *Texas Register*. ERS did not receive any comments.
- Reasons for adopting rules in Chapter 81 continue to exist with amendments

Required Rule Review and Adoption of Amendments

Staff Recommendation



Staff Recommends:

- Adopt proposed amendments to Chapter 81, Insurance, as presented
- Readopt Chapter 81 (Insurance) as amended by the Board
- Adopt proposed amendment to Chapter 85, Flexible Benefits, as presented

Questions?